



**TOTAL PLAY ANNOUNCES 19% GROWTH IN EBITDA,
TO Ps.4,434 MILLION IN THE FIRST QUARTER OF 2023**

**—Revenue increased 17%, to Ps.9,826 million in 1Q23,
driven by a 20% increase in Total Play Residencial—**

**—The company will moderate its subscriber base growth
which will strengthen its liquidity and capital structure—**

Mexico City, April 27, 2023— Total Play Telecomunicaciones, S.A.P.I. de C.V. ("Total Play"), a leading telecommunications company in Mexico, which offers internet access, pay television and telephony services, through one of the largest 100% fiber optic networks in the country, today announced financial results for the first quarter of 2023.

"We will moderate our subscriber base growth starting in the second quarter of the year — which will result in lower levels of investment and a reduction of operating expenses — in order to further strengthen our liquidity and amortize a significant portion of future debt maturities," commented Eduardo Kuri, CEO of Total Play. "This week we issued *Certificados Bursatiles* of Ps.1,000 million and we have close to Ps.4,000 million in securitization programs, which are added to the savings due to lower growth, estimated at Ps.11,000 million in three years, and will allow us to comply with a liability reduction program between now and 2025, further boosting the strength of the company's capital structure."

First quarter results

Revenue for the quarter was Ps.9,826 million, 17% above the Ps.8,416 million from the same period of the previous year. Total costs and expenses were Ps.5,392 million, compared to Ps.4,688 million of the previous year.

As a result, Total Play's EBITDA grew 19%, to Ps.4,434 million, from Ps.3,728 million a year ago; the EBITDA margin for the quarter was 45%, one percentage point above the previous year. The company posted operating income of Ps.592 million, compared to Ps.976 million a year ago.

Total Play reported net income of Ps.317 million, from Ps.477 million in the same period of 2022.

	1Q 2022	1Q 2023	Change	
			Ps.	%
Revenue from services	\$8,416	\$9,826	\$1,410	17%
EBITDA	\$3,728	\$4,434	\$706	19%
Operating income	\$976	\$592	\$(384)	(39)%
Net result	\$477	\$317	\$(160)	(34)%

Amounts in millions of pesos.

EBITDA: Earning before interest, depreciation, and amortization.

Revenue from services

The company's revenue grew 17%, as a result of a 20% increase in sales from the residential segment and a 3% increase in revenues from the enterprise division.

The growth in revenue of Totalplay Residencial, to Ps.8,274 million, compared to Ps.6,909 million of the previous year, results from an 18% increase in the number of subscribers to the company's services, to 4,403,210, due to higher household demand for Total Play telecommunications services. Average revenue per subscriber for the quarter — ARPU — was Ps.617, compared to Ps.614 a year ago.

The continuous increase in Total Play revenue is reaffirmed this period despite intense competition in the industry — which affects market prices — and the normalization of face-to-face activities throughout the country. This shows the preference of users for the superior attributes of our internet, pay television and telephony services, which optimally satisfy the connectivity and entertainment needs of millions of homes.

During the quarter, the company concluded its investment program to increase geographic coverage, since it reached the territory in which its target market is located throughout the country. The number of homes passed in Mexico was 17.5 million at the end of the period, from 15.4 million a year ago. The fiber optic network currently has 141,129 kilometers, 29% higher than 109,024 kilometers the previous year.

Penetration — the proportion of homes passed by Total Play that have telecommunications services from the company —reached 25% at the end of the quarter, up from 24% a year ago, despite the increase of 2.1 million homes passed in the period.

Revenues from the enterprise segment were Ps.1,553 million, compared to Ps.1,507 million the previous year. The enterprise division provides its services to 50,340 organizations, 9% higher than 46,088 in the same period of 2022.

Costs and expenses

Total costs and expenses grew 15%, as a result of a 7% increase in service costs and a 20% increase in general expenses. The growth in costs, to Ps.2,008 million, from Ps.1,870

million of the previous year, mainly results from the cost of equipment sales, memberships, rental of links and other interconnection services for the operation of the network, partially offset by efficiencies generated by content costs renegotiation.

The increase in expenses, to Ps.3,384 million, from Ps.2,818 million, reflects higher personnel expenses, advertising and promotion, maintenance and operation of the call center, in the context of growing operations in the company, partially offset by economies of scale resulting from a larger subscriber base.

EBITDA and net result

Total Play EBITDA was Ps.4,434 million compared to Ps.3,728 million of the previous year.

Relevant variations below EBITDA were the following:

Increase of Ps.1,090 million in depreciation and amortization, as a result of user acquisition cost — telecommunications equipment, labor and installation expenses — as well as investments in coverage of the fiber optic network.

Growth of Ps.412 million in interest charges, mainly derived from the increase in the balance of financial debt.

Increase of Ps.163 million in other financial expenses as a result of expenses related to debt issuances and financial derivative instruments.

Growth of Ps.1,111 million in foreign exchange gains, as a consequence of the net liability monetary position in foreign currency, together with a greater appreciation of the peso against the basket of currencies in which the company's monetary liabilities are denominated this quarter, in comparison with the previous year.

Total Play reported a net income of Ps.317 million, from Ps.477 million in the same period of 2022.

Balance sheet

As of March 31, 2023, the company's debt with cost was Ps.48,228 million, compared to Ps.41,275 million the previous year. The growth of the debt balance is related to the issuance of *Certificados Busatiles* and loans with financial institutions during the period.

The balance of cash and cash equivalents, as well as restricted cash in the trust totaled Ps.4,445 million, 37% higher than Ps.3,237 million a year ago.

The lease liability was Ps.7,077 million, compared to Ps.5,804 million of the previous year.

The company's fixed assets — which include the accumulated investment in fiber optics, telecommunications equipment, and the cost of acquiring subscribers, among other assets — were Ps.59,227 million, 21% above the Ps.48,816 million a year ago.

About Total Play

Total Play is a leading Triple Play provider in Mexico that, thanks to the widest direct-to-home fiber optic network in the country, offers entertainment and technologically advanced services with the highest quality and speed in the market. For the latest news and updates about Total Play, visit: www.totalplay.com.mx

Total Play is a Grupo Salinas company (www.gruposalinas.com), a group of dynamic, fast growing, and technologically advanced companies focused on creating economic value through market innovation and goods and services that improve standards of living; social value to improve community wellbeing; and environmental value by reducing the negative impact of its business activities. Created by Mexican entrepreneur Ricardo B. Salinas (www.ricardosalinas.com), Grupo Salinas operates as a management development and decision forum for the top leaders of member companies. Each of the Grupo Salinas companies operates independently, with its own management, board of directors and shareholders. Grupo Salinas has no equity holdings. The group of companies shares a common vision, values, and strategies for achieving rapid growth, superior results and world-class performance.

Except for historical information, the matters discussed in this press release are concepts about the future that involve risks and uncertainty that may cause actual results to differ materially from those projected. Other risks that may affect Total Play and its subsidiaries are presented in documents sent to the securities authorities.

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TOTAL PLAY TELECOMUNICACIONES, S.A.P.I. DE C.V. AND SUBSIDIARIES
CONSOLIDATED QUARTERLY INCOME STATEMENTS
(Millions of Mexican pesos)

	1Q22		1Q23		Change	
	\$	%	\$	%	\$	%
Revenue from services	8,416	100%	9,826	100%	1,410	17%
Cost of services	(1,870)	(22%)	(2,008)	(20%)	(138)	(7%)
Gross profit	6,546	78%	7,818	80%	1,272	19%
General expenses	(2,818)	(33%)	(3,384)	(34%)	(566)	(20%)
EBITDA	3,728	44%	4,434	45%	706	19%
Depreciation and amortization	(2,752)	(33%)	(3,842)	(39%)	(1,090)	(40%)
Operating profit	976	12%	592	6%	(384)	(39%)
Financial cost:						
Interest revenue	14	0%	51	1%	37	n.m.
Accrued interest expense	(914)	(11%)	(1,326)	(13%)	(412)	(45%)
Other financial (expenses) income - Net	(138)	(2%)	(301)	(3%)	(163)	(118%)
Foreign exchange gain - Net	742	9%	1,853	19%	1,111	150%
Profit before income tax provision	680	8%	869	9%	189	28%
Income tax provision	(203)	(2%)	(551)	(6%)	(348)	(171%)
Participation in results	-	0%	(1)	(0%)	(1)	n.a.
Net income for the period	477	6%	317	4%	(160)	(34%)

TOTAL PLAY TELECOMUNICACIONES, S.A.P.I. DE C.V. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Millions of Mexican pesos)

	As of March 31,					
	2022		2023		Change	
	\$	%	\$	%	\$	%
<u>Assets</u>						
CURRENT ASSETS						
Cash and cash	1,774	3%	2,062	2%	288	16%
Restricted cash in trusts	1,463	2%	2,383	3%	920	63%
Customers - net	4,461	6%	4,650	6%	189	4%
Other receivables and recoverable taxes	3,904	6%	4,436	5%	532	14%
Inventories	1,987	3%	2,343	3%	356	18%
Prepaid expenses	433	1%	707	1%	274	63%
Total current assets	14,022	20%	16,581	20%	2,559	18%
NON-CURRENT ASSETS						
Property, plant and equipment - Net	48,816	70%	59,227	71%	10,411	21%
Rights-of-use assets -Net	5,366	8%	6,479	8%	1,113	21%
Other non-current assets	1,632	2%	1,546	2%	(86)	(5%)
Total non-current assets	55,814	80%	67,252	80%	11,438	20%
Total assets	69,836	100%	83,833	100%	13,997	20%
<u>Liabilities and Stockholders' Equity</u>						
SHORT-TERM LIABILITIES						
Short-term financial debt	2,901	4%	7,340	9%	4,439	153%
Trade payables	7,271	10%	12,037	14%	4,766	66%
Reverse factoring	1,814	3%	2,424	3%	610	34%
Other payables and taxes	3,642	5%	3,879	5%	237	7%
Derivative financial instruments	573	1%	187	0%	(386)	(67%)
Lease liabilities	1,735	2%	2,235	3%	500	29%
Total short-term liabilities	17,936	26%	28,102	34%	10,166	57%
LONG-TERM LIABILITIES						
Long-term financial debt	38,374	55%	40,888	49%	2,514	7%
Trade payables	4	0%	-	0%	(4)	(100%)
Other long-term payables	643	1%	2,961	4%	2,318	n.m.
Derivative financial instruments	-	0%	1,822	2%	1,822	n.a.
Lease liabilities	4,069	6%	4,842	6%	773	19%
Total long-term liabilities	43,090	62%	50,513	60%	7,423	17%
Total liabilities	61,026	87%	78,615	94%	17,589	29%
STOCKHOLDERS' EQUITY						
	8,810	13%	5,218	6%	(3,592)	(41%)
Total stockholders' equity and liabilities	69,836	100%	83,833	100%	13,997	20%

TOTAL PLAY TELECOMUNICACIONES, S.A.P.I. DE C.V. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Millions of Mexican pesos)

	Years ended March 31,	
	<u>2022</u>	<u>2023</u>
<u>Operating activities:</u>		
Income before income tax provision	680	867
Items not requiring the use of resources:		
Depreciation and amortization	2,752	3,842
Employee benefits	9	7
Items related to investing or financing activities:		
Accrued interest income	(14)	(51)
Accrued interest expense and other financial transactions	914	1,326
Valuation of financial derivative instruments	795	61
	<u>5,136</u>	<u>6,052</u>
Resources (used in) generated by operating activities:		
Customers and unearned revenue	(711)	856
Other receivables	18	62
Related parties, net	8	244
Taxes to be recovered	399	(75)
Inventories	(107)	(1)
Advance payments	34	201
Trade payables	(227)	1,287
Other payables	(119)	(457)
	<u>4,431</u>	<u>8,169</u>
Cash flows generated by operating activities	<u>4,431</u>	<u>8,169</u>
<u>Investing activities:</u>		
Acquisition of property, plant and equipment	(5,138)	(4,096)
Other assets	9	(86)
Collected interest	14	51
	<u>(5,115)</u>	<u>(4,131)</u>
Cash flows (used in) investing activities	<u>(5,115)</u>	<u>(4,131)</u>
<u>Financing activities:</u>		
Loans received	(220)	(1,304)
Leasing cash flows	(487)	(479)
Interest payment	(969)	(1,420)
Restricted Cash in Trusts	(577)	(395)
Reverse factoring	545	(267)
	<u>(1,708)</u>	<u>(3,865)</u>
Net cash flows generated by financing activities	<u>(1,708)</u>	<u>(3,865)</u>
Increase in cash and cash equivalents	<u>(2,392)</u>	<u>172</u>
Cash and cash equivalents at the beginning of the year	<u>4,166</u>	<u>1,890</u>
Cash and cash equivalents at the end of the year	<u>1,774</u>	<u>2,062</u>